The Economics of Mutuality:
An analysis of trade union welfare systems in 19th century Britain

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Abstract:

British artisan unions in the 19th century were welfare states in miniature, providing members with unemployment benefit, sick pay, superannuation and some provisions for death. The core of the paper describes the detailed operation of the welfare systems of two trade unions, both in engineering. Firstly, the Amalgamated Society of Engineers (ASE) was the largest national union in Britain for most of the period and the model for many others; the analysis concentrates on the relationship between the scheme's income and expenditure and the trade cycle. Secondly, the Steam Engine Makers' Society (SEM) was only a tenth the size of the ASE and far less well known, but was always the ASE's largest competitor for its core memberships among fitters and turners. The SEM is remarkable for the extremely detailed information which it published on individual members, and some initial results will be presented from a large nominal linkage analysis which permits analysis of variation in income from and payments to members over their life courses. The final section surveys provision across the union system as a whole, based mainly on surveys by the Board of Trade Labour Department in the 1890s and 1900s. The conclusion explores the relationship between the welfare benefit systems and more conventional trade union activities.

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Introduction:

This study is concerned with mutuality, not philanthropy: with systems financed and managed solely by the beneficiaries. Research into both the past and the future of welfare generally assumes a simple opposition between state and perhaps philanthropic systems, funded from above, and 'for profit' insurance operated by commercial companies. However, prior to the creation of the National Insurance system in the 1900s by far the largest sources of insurance were mutual societies. In 1801, Eden estimated there were 7,200 friendly societies with 648,000 members in England, overwhelmingly small and local.[1] By mid-century many had merged into the affiliated orders such as the Oddfellows, who had nearly half a million members by 1875.[2] By 1913, the societies had a total membership of 6.78 million and continued to operate within the National Insurance system as 'approved societies'. By 1938 these had 20.26 million members, out of a total population of 47.5 million.[3] It was only with the Beveridge reforms of the 1940s that their role was taken over by the state, and membership collapsed.

My concern is not with the generality of friendly societies, which were mainly concerned with insurance against sickness, but with the more comprehensive schemes operated by trade unions. As the next section shows, these provided members, but not their dependents, with most of the elements of modern social insurance, including provisions for economic as well as medical hardship, and did this successfully for many decades without either compulsion or external subsidy. Further, some of these schemes were exceptionally well-documented, permitting individual experience to be traced over the life course. Given the emphasis on sick pay in studies of friendly societies, what follows gives greater emphasis to superannuation and to unemployment insurance.

This study seeks to distil the unions' experience and draw conclusions for modern welfare systems. The next section reviews the benefits offered by the largest of the union schemes, that of the Amalgamated Society of Engineers (ASE). The following section uses ASE financial data to explore the dynamics of the scheme, showing that expenditure was far more variable than income and was initially dominated by unemployment pay which fluctuated massively in line with the trade cycle. The first challenge, therefore, to a union was to set its dues and benefit rates at levels which supported the members through a recession without exhausting reserves. However, in the longer term expenditure on superannuation grew to levels matching unemployment benefit, reflecting the ageing of the membership. Further, expenditure on other benefits was also related to the life-cycles of individual members, and unions had to judge

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1 P.J.H. Gosden (1961) *The Friendly Societies in England, 1815-75* (Manchester), pp.4-5.

2 Ibid. pp.27-30.

3 J.C. Riley (1987) 'Ill health during the English mortality decline: the Friendly Societies' Experience', *Bulletin of the History of Medicine* , vol. 61, pp.563-588; N. Whiteside (1987) 'Counting the cost: sickness and disability among working people in an era of industrial recession, 1920-39', *Economic History Review* , 2nd ser. XL, pp.228-246.

appropriate levels of contributions to support liabilities many years into the future, without modern actuarial data. The final substantive section explores the extent of union benfits, drawing on two major government surveys in 1891 and 1908 to explore sectoral coverage and patterns of expansion.

Welfare States in Miniature

Benefit provision across the union movement as a whole is surveyed more superficially below, but this section can only describe a single scheme. The Amalgamated Society of Engineers (ASE) was the largest trade union of the period and the most influential. It was established by a merger of a number of craft unions in 1851, the most important being the Journeymen Steam Engine Makers' Society (JSEM), from which the ASE took its rules and initial leaders. While the basic structure of the new union followed that of the JSEM, the headquarters were moved from Manchester to London and sickness benefit was added. The union operated through local branches, but their operation was closely governed by national rules and supervised by the London office; the branches held most of the unions' funds but these were treated as national assets, and 'equalised' annually by branches with above average reserves transferring their surpluses to others.

The union's early years were inevitably fluid but by the mid-1860s a mature system had been established. The 1864 rulebook defines the following benefits:

Unemployment pay was known as Donation Benefit, and was payable to jobless members provided they were 'free', meaning that they had belonged to the union for over twelve months and were not in arrears; three days' unemployment was necessary to qualify. In 1864, the rate was ten shillings per week for the first fourteen weeks, seven shillings for the next thirty weeks, and then six shillings per week indefinitely. Employment was seen as often transitory: men finding work but then losing it were ineligible for the ten shilling rate of benefit if they had already received fourteen weeks of it in the previous fifty-two weeks, and provision was made for unemployment due to 'slackness of work, stock-taking, breakdowns, or other similar accidents'. Members had to tell the branch secretary how they lost their job, and were ineligible if the cause was drunkenness or disorderly conduct.

Unemployed members had to sign a 'vacant book', kept at the pub where each branch met or, in large towns, at a central office used by several branches. Men living within three miles had to sign daily or lose their day's benefit, and those within seven miles every two days, but access to the vacant book was also a privilege: travelling engineers had to prove they were members before being allowed to use it. The union not only paid benefit but helped members find work. One mechanism was that members knowing of vacancies were required to inform the secretary or the vacant book keeper, or be fined five shillings — roughly a day's wages. Another was that the foremen responsible for hiring were often themselves members of the union.

Many pre-1850 artisan unions had aided the unemployed entirely through **travelling benefit**, paying members as they moved from town to town in search of work, often according to the distance travelled since last relieved.[4] The JSEM had always relied entirely on unemployment pay and the ASE offered only a limited travelling system which firstly enabled travelling

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4 E.J.Hobsbawm (1951) 'The Tramping Artisan' *Economic History Review* , 2nd ser.,vol. 3, pp.299-320 'H.R.Southall (1991) 'The tramping artisan revisits: labour mobility and economic distress in early Victorian England', *Economic History Review*, 2nd series, vol. 44, pp.272-96.

members to claim the unemployment benefit they were entitled to anyway from the branches they passed through, and secondly paid 'sixpence for a bed' to new members, before they became eligible for any other benefits. The union also provided for sending men to known vacancies and unemployed members could be required to move, although they could appeal to the branch committee. Finally, the union provided an **emigration benefit**, which paid £6 to unemployed members wishing to emigrate. This provision has been interpreted as showing that unions had accepted the then-current wages fund theory, according to which there was a fixed sum of money from which all wages were paid, and the only way to raise wage rates was to remove part of the labour supply. However, the scheme was hedged about with restrictions: it was only available to members who had been in the society five years and then only if funds per member exceeded £3, if more than 7.5% of the members were out of work, and from 1873, if fewer than 7.5% of members at an emigrants' destination were out of work. In practice, there is no evidence that the ASE ever paid out any emigration benefits up to its abolition in 1885.[5]

Between 1852 and 1866, the ASE did not offer 'contingent benefit', or **strike pay**, so in 1864 the only special allowance was 'Full Wages Benefit', paying men sacked for being union officers at the rate of their previous wage, plus removal expenses if able to get work elsewhere; this was listed separately as. The other, rather specialised, trade-related benefit was that members who were pattern makers, millwrights, or machine joiners were entitled to compensation of up to five pounds for **loss of tools**. These were minor trades within the union and the numbers covered small, but it is an interesting reflection of the tradition of the artisan as independent craftsman with his own tools.

The JSEM had not offered **sick pay**, and the benefit offered by the ASE was modelled on that of the SEM, discussed below. The standard benefit was ten shillings per week for the first six months of illness, and five shillings per week thereafter. This covered men unable to work through sickness or lameness, so long as it was 'not occasioned by drunkenness or disorderly conduct, or any disease improperly contracted' — presumably a reference to venereal disease. Sick members were closely supervised, partly for their own benefit and partly to detect fraud. Members receiving benefit were required to be at home from 6 p.m. to 6 a.m. in winter, and 8 p.m. to 6 a.m. in summer. Each branch appointed sick stewards, who were required to visit ill members, and branches were empowered to appoint a doctor to examine sick members if there was any doubt about their condition. There was also provision for paying the travel expenses of sick members needing a 'change of air', important in the polluted industrial cities of the period.

Separate provision was made for **accidents**:

> Any free member ... who may by losing a limb, or having one disabled by accident or otherwise, or through blindness, imperfect vision, apoplexy, epilepsy or paralysis, be rendered permanently unable to follow any of the branches of the trade ... (provided such was not the result of intemperance or other improper conduct), shall receive the sum of £100 on the production to the Executive Council of satisfactory medical and other testimony of such permanent disablement.

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5 C.Erickson (1949) 'The Encouragement of Emigration by British Trade Unions 1850-1900', *Population Studies*, Vol.III, pp.248-73; W.S.Shepperson (1953) 'Industrial Emigration in Early Victorian Britain', *Journal of Economic History*, Vol.XIII, pp.179-92; R.V.Clements (1956) 'Trade Unions and Emigration', *Population Studies*, Vol.IX, pp.167-80; R.V.Clements (1961) 'British Trade Unions and Popular Political Economy 1850-75', *Economic History Review*, II, Vol.14, pp.93-104; H.R. Southall (1989) 'British artisan unions in the New World', *Journal of Historical Geography*, Vol.15, pp.163-182.

The involvement of the Executive Council reflected the sum of money involved, and they were empowered to arrange medical treatment if they thought there was some chance of 'restoring' the member. Once a member received this benefit he was allowed to resume work if he could, but he became permanently ineligible for unemployment pay or superannuation.

The surprising feature of **superannuation**, by modern standards, was that it was not strictly age-based: it was available to:

> Any member fifty years of age, who has been eighteen years successively in the society, and who through old age or infirmity, is unable to obtain the ordinary rate of wages ...

Such a member was entitled to seven shillings per week until death. However, if he had been twenty-five years in the society he received eight shillings, and after thirty years nine shillings. Once a man accepted superannuation he became ineligible for all other benefits except funeral pay; men over fifty becoming permanently disabled could choose between superannuation, giving a modest continuing income, or a lump-sum payment of accident benefit. Members receiving superannuation were prohibited from working in engineering, but was free to earn whatever he could 'from private means, or from any other trade or calling not connected with the society'. The reasoning behind these arrangements is discussed in the analysis of the Steam Engine Makers below.

Finally, the union offered members a **funeral benefit**, which provided twelve pounds on their death. Five pounds was paid on the death of their wife, but then only seven pounds was paid at their own death. The aim was not to assist the dependents of a dead member, but to ensure that members received a proper burial and wake. The only provision for widows and orphans was a separate **discretionary Benevolent Fund**, funded from special levies. Although the Executive Council's minutes show that much of their time was spent discussing individual applications, no details are given. On occasion it could be used to serve industrial goals, as in March 1867 when the Blackburn District Committee was encouraged to submit applications during a dispute.[6] The Council minutes also contain examples of *ad hoc* payments from the general fund; for example, in February 1872 the Chicago branch was commended for paying £7 each to five members who had lost all their clothing and furniture in the great Chicago fire the previous October.[7] However, in general such irregular payments were frowned on.

The union lacked the data needed to run the benefits on an actuarial basis, but the admission rules sought to exclude members likely to become a burden on the funds:

> No person shall be admitted a member who is deaf and dumb, or who has lost a limb, or two whole fingers from one hand, or who is subject to fits; but persons who have lost one eye may, if the remaining one be good, be admitted up to the age of thirty years, but must produce a medical certificate in proof of the soundness of the remaining eye.

There was a general requirement that a member 'be possessed of good ability as a workman, be of steady habits, good moral character, and earning the ordinary rate of wages of the district in which he may be working.' Men had to be at least 21, and there was an entrance charge which

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6 ASE Executive Council Minutes, 22nd March 1867 (Modern Records Centre, University of Warwick (MRC), MSS. 259/1/1/18).

7 *Idem.*, 6th February 1872 (MRC MSS. 259/1/1/27).

varied with age, from fifteen shillings if under 26 to two pounds and ten shillings at age forty. Men over forty were simply not allowed to join. Given that the union was growing relatively rapidly in the early years, this meant that there were few elderly members and expenditure on sick pay and superannuation was low.

Although this description of the benefit system is based mainly on the union's rulebooks, there is abundant evidence that they were enforced. Firstly, a reading of successive rulebooks shows steady elaboration of the benefit system: the specification of customary holidays in particular districts which were excluded from the calculation of benefit entitlements, and an elaborate system of checks and balances whereby one branch official was to watch over another; this suggest that the 'model' was in active use and its shortcomings were being dealt with. Secondly, the archives and printed reports contain an astonishing volume of data deriving from the benefit systems; it would have been more time-consuming for a local official to fabricate all the required reports, and ensure their consistency, than to render an honest account. Thirdly, there are many examples of the General Secretary and the Executive Council closely supervising the branches. The latter's minutes record only the final outcome of discussions but include:

> That from the evidence furnished by the secretary of the Chippenham branch in the case of Wm. Gladstone the latter member is not entitled to donation benefit seeing he got discharged for losing time, drunkenness and disorderly conduct.[8]

> That if John Aspindle, who has applied for admission into the Preston branch does not through his shortsightedness require the use of spectacles when working, and produces medical testimony to show that his eyes in all other respects are perfectly sound, may be considered eligible for membership.[9]

> That the candidate for membership at the Hartlepool branch is not eligible, inasmuch as he is minus first joint of first finger, and second joint of second and third finger of the right hand.[10]

The detail was necessary in the last example because, as discussed above, men missing one finger were eligible but not those missing two; the union had to balance the industrial advantages of a large membership with the potential burden on the funds. Other minutes show the Executive closely monitoring branch officials. For example, just in July 1866, the Executive arranged for two Manchester members to visit Chesterfield in Derbyshire to examine the branch books; appointed a sub-committee to examine the books of the Lambeth branch in London, sent a deputation to visit the Marylebone branch, also in London, in connection with its financial reports; recommended the 'removal' of the secretary of the Birmingham branch following a special audit of its books; and decided:

> That the money steward of the Belfast 2nd branch for the quarter ending March 1866 be held responsible for the deficiency of £8 16 6.

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8 *Idem.*, 13/3/1866 (MRC MSS.259/1/1/16).

9 *Idem*., 11/2/1872.

10 *Idem*., 30/9/1871.

Welfare Benefits and the Trade Cycle

How did union benefits work in practice? The ASE's reports provide a wealth of statistics on expenditure and numbers of claims, and therefore on the memberships' experience of hardship. Figure 1 charts the income and expenditure of the ASE over most of its existence, and demonstrates a number of important points. Firstly, the union's expenditure was dominated by benefits; between 1851 and 1911 they comprised an average 84% of the total. Secondly, the most important benefit was donation, or unemployment pay, accounting for an average 45% of all benefit expenditure Thirdly, expenditure of donation varied enormously over the trade cycle, reflecting the highly cyclical nature of the economy and sector within which the ASE operated, and this was much the most important source of overall variation: over the period as a whole, nearly three-quarters of the short-run variation in total expenditure comes from variation in unemployment payments; in the years up to 1890, when superannuation expenditure was small and before the major industrial disputes of 1897-8 and 1909, seven-eighths of the variation came from unemployment.[11]

In purely financial terms, therefore, the union can be viewed as a collective saving mechanism through which the membership stored away funds to get them through the next recession. Given the instability of the period, and the nature of its business, the financial stability of the union is remarkable: despite the deficit spending during recessions, end-of-year balances were always safely positive, and in two-thirds of the years the balance would have been sufficient to meet the entire expenditure of the union in the following year. This pattern became more complex after 1890, as the membership aged: while spending on superannuation was on average 11 percent of the total between 1851 and 1890, as compared to 42% on unemployment, between 1891 and 1911 28% was on superannuation and 32% on unemployment. The operation of superannuation is discussed in more detail in the next section, but the ASE dealt with rising superannuation expenditure in two ways. Firstly, by creating new classes of members in 1892, generally either excluded from sick pay and superannuation or entitled at reduced rates. Secondly, by establishing a 'superannuation reserve fund' in 1905, through additional payments of 1/- per quarter by all full and superannuated members, which by 1911 had grown to £452,233, as compared to £238,472 in the union's General Fund.[12]

Returning to the ASE's heyday in the 1860s, figure 2 plots numbers over that decade and covers two major recessions, the first being the Lancashire cotton famine of 1862-3 and the second also centred on the north-west of England. The three distinct rates of benefit are used to distinguish those without work for only a few weeks from the long-term unemployed. Two features are noteworthy: the degree of seasonal variation, the averages for January and July over the thirteen years being 5.2% and 3.7%; and the unsurprising but marked concentration of long-term unemployment into recessions. It was this which respectable artisans most feared, as it was not possible to escape it by moving away, or weather it using personal savings. The figure conceals the degree of variation between localities. Over this same period, the average unemployment rate was 6.7 %for Lancashire and 4.9% for London, as compared to 1.7% for

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11 To eliminate long-run trends, a centered 10-year moving average was calculated for per capita total expenditure and donation expenditure, and then standard deviations calculated for the residuals from these averaged series; five years are lost at the beginnings and ends of the series through calculation of the moving averages. Between 1856 and 1911, the standard deviation of annual total expenditure per capita was £0.91 and that of donation expenditure £0.65; between 1856 and 1890, 0.78 and 0.68 respectively.

12 ASE *Rules* 1904, rule 31, clauses 6-8.

Durham and 1.6% for the south-east outside London; rates for individual towns varied still more, with averages within the north west of England varying between 0.4% for Crewe and 13% for Preston. This pattern meant that much of the contributions of members in low unemployment regions were being spent on donation benefit for members in the industrial districts. Why did the former join? High geographical mobility may have meant that men frequently moved between high and low unemployment areas: if a Crewe member lost his steady job at the railway workshop he could easily find himself in Manchester. Alternatively, supporting the unemployed elsewhere may have worked indirectly to sustain wage levels in more stable localities.[13]

Also concealed by the figure are the other forms taken by economic distress. Short-time working was much more common in other sectors, notably mining and textiles, and the ASE made only limited provision for it. Only men out of work for six consecutive days received unemployment benefit, so the only provision for 'short-time' was that men 'working three days or less per week' were exempt from contributions. Branch reports on the 'state of trade' do mention short-time. During the late 1860s recession, it was concentrated into the first and final quarters of each year, to a more marked degree than unemployment. This arguably reflected not only seasonality of demand but the effects of weather and darkness on production costs. In this period, engineering and several other trades covered by benefit schemes resembled building: the winter months represented 'marginal capacity'. Despite this seasonality of short-time working it is clear that the central problem which the ASE benefits were designed to assist with was longer-term cyclical fluctuations.

Although the union had no contractual obligation to pay benefits to members at any particular rate, or indeed to pay any benefits at all, successful unions changed their rates very rarely indeed: the ASE maintained its 10s. per week top rate for donation benefit from 1851 to 1911, although after 1885 members of under ten years standing had benefit terminated after two years. The union had therefore to set its subscriptions and benefit rates at levels which were sustainable over the trade cycle, and figure 1 shows clearly that it succeeded: reserves were always severely depleted during recessions but never exhausted. How was this achieved? Part of the answer is that even in 1851 the ASE could draw on half a century of experimentation in operating unemployment insurance: the earliest documented scheme was operated by London tin-plate workers in 1798.[14] However, another answer is that while subscriptions and benefit levels were held constant the union could and did vary another key element of the scheme.

Any system of unemployment insurance must incorporate a reservation wage rate, which determines which job offers may be rejected without losing entitlement to benefit. In the case of the ASE, this rate was known as the 'Standard Rate', as tabulated in union reports. In some cases, it was the outcome of negotiations with employers but in general it was simply laid down by each district's committee. However, actual wage rates varied both between and within factories, and overall earnings were affected by bonuses and overtime; in some senses, the Standard Rate can be seen as a local minimum. Even so, given that the ten shillings per week unemployment benefit was far below Standard Rates even in the lowest paid localities, members

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13 All unemployed rates computed from a statistical database constructed from the ASE *Monthly Reports* and held at QMW.

14 'Articles of Agreement of a Friendly Society of Tin Plate Workers held at the House of John White at the Sign of the White Swan in Fleet Lane, Fleet Market', London, 1798 (PRO FS.1/408B; Middlesex 216).

might still choose to accept a sub-standard offer. These tended to be areas of higher unemployment, hence members in areas of low unemployment were to some extent putting a floor under their own wages when they helped pay for unemployment benefits elsewhere. Under these circumstances the union might decide to require them to leave their jobs in the interest of maintaining overall wage rates; refusal might mean expulsion, and the loss of all accumulated benefit entitlements including pension rights, but the union also offered the positive inducement of strike pay. By now it will be clear that union welfare systems were far from independent of their industrial role.

In practice, standard rates varied in response to economic conditions but in a highly constrained manner: in much of the country they changed only once or twice in fifty years, and then only upwards, while in a few localities they varied more frequently and sometimes dropped sharply. The fact that in many centres rates were never dropped, and the sustained high levels of benefit expenditure which the union carried through recessions shows that while it was making some concessions to economic pressures it was still actively resisting them. For example, early in the late 1860s recession the ASE's national executive was regularly authorising strike pay to resist wage reductions: there are fifteen such reports in the minutes for January to March 1867.[15] However, by 1869 the EC was actively discouraging strike action, even where the alternative was to accept a wage reduction:

29th May That the members of the Halifax branch be recommended to prevent as far as possible the introduction of piece work, at the same time they must be careful not to bring about a strike *seeing the present state of trade*.

16th June That in the event of the factory operatives at Hyde accepting a reduction of 5 per cent, and that the same has to apply to our members, the Council would recommend the members affected not to strike work *seeing the present state of trade*.

29th June That the London East branch be instructed not to withdraw members from Messrs. Ravenhill & Co. who are in receipt of 33/- per week *seeing the present state of trade* and the practice of that factory for years past.[16]

In summary, the ASE was able to successfully operate unemployment insurance in such an unstable economic environment through its deep involvement in the labour market and the hold it had over its members through its double roles as trade union and insurer.

The ASE's organisational success was clearly reflected in the growth of its membership, which expanded, on average, by 4.42% per annum between 1851 and 1911 as compared to 2.04% for employment in the metal work and engineering sector. It grew in all but seven years between 1851 and 1918 including, remarkably, every year of the 1860s despite the depressions discussed above. Five of the exceptional years were in the depths of recessions, beginning with 1879, but the two largest drops followed the union's defeat in lock-outs in 1852 and 1898. Although the number of members 'excluded' from the union, usually for being in arrears, tended to increase slightly in recessions, variation in membership growth was clearly driven by the large fluctuations in numbers of admissions: there were spectacular expansions following recession in 1860, 1872 and 1890.

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15 ASE Executive Council Minutes (MRC MSS. 259/1/1/18).

16 *Idem.*, MSS.259/1/1/22 (my emphases).

This steady growth is remarkable when compared to other unions. The pre-1850 period had seen many ephemeral national unions, such as the Owenite Grand National Consolidated Trade Union of 1834 and others associated with the Chartist movement. These came together rapidly, as combinations of local trade societies, but fell apart once the particular political moment had passed. One explanation of the ASE's ostensibly very apolitical stance was a desire to distance the new union from this dismal history. After 1850, the ASE can be contrasted with other unions lacking the same economic base. Figure 3 charts membership for five unions: the ASE; an artisan union in a different sector which was closely modelled on the ASE, the Amalgamated Carpenters; the 'other' engineering union, the Steam Engine Makers; a very different union in an apparently similar sector, the Associated Iron and Steel Workers; and a non-artisan union which tried and failed to model itself on the ASE, the National Agricultural Labourer' Union. The steady growth of the three artisan unions until the 1890s should be obvious but the other two unions require further comment.

The iron and steel workers, despite their apparent similarity to engineers, had a quite different history. Until the 1870s, unionism was local, intermittent and unsuccessful: for example, in 1866 12,000 workers in the north-east struck for twenty weeks but failed to prevent a wage reduction, and similarly in 1868 two Staffordshire unions collapsed while resisting a reduction, being the third set of unions in then-current memory to fail there. In 1869, a Conciliation Board was created for the iron trade of the north of England and from then on the Associated Iron and Steel Workers championed a system where wage rates were tied by a 'sliding scale' to the price of iron. However, this system had limited success and although the Iron and Steel Workers maintained a continuous existence, unlike earlier unions, its membership fluctuated greatly with the trade cycle, losing 78% of its membership between 1875 and 1879, 60% between 1882 and 1885 and 41% between 1890 and 1895. In other words, neither resistance to wage reductions nor systematic accommodation of the cycle could build a strong union.[17]

The National Agricultural Labourers' Union took much of its inspiration from the Amalgamated Societies. It was established in the aftermath of the engineers' victory in the 1871 nine hours movement; the first General Secretary had previously been a branch secretary of the Amalgamated Carpenters and Joiners; the union was strongly centralised, with three-quarters of contributions going to central funds; and the NALU sought to provide benefits to its members through an associated sick fund and schemes to buy allotments. However, despite the best of intentions and advice, their extraordinary initial growth, which made them briefly the largest union in Britain, was reversed within three years. Three factors appear to explain this. Firstly, once the employers recognised the threat posed by the new union they were able to defeat it through lock-outs which exhausted its funds, despite generous subsidies from sympathisers including the ASE, who gave £300 in 1872 and £1000 during the 1874 lock-out. These defeats reflected the ease with which the farmers could find other workers with similar skills. Secondly, and as with the iron and steel workers, once the union failed to preserve the initial gains in wages its membership simply faded away. Thirdly, its administration was incompetent and much of the claimed membership may never have existed, so that income to central funds during 1873-5 was only about half of what it should have been. Ultimately, the

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17 H.A.Clegg, A.Fox & A.F.Thompson, *A History of British Trade Unions since 1889*, Vol.1, 1964, pp. 21-3, 202-12 Webb and Webb, *History of Trade Unionism*, pp.222-3, 335-6.

farm labourers were too poorly paid, poorly educated, and isolated and immobile in their rural communities to follow the model provided by the ASE.[18]

Welfare Benefits and the Life Cycle

The impact of the trade cycle on union finances is clearly revealed in the aggregate statistics used in the previous section, but analysis of the impact of the life cycle requires data on benefit expenditure by age of member. This is not available in the contemporary reports and must be calculated from individual-level data. This section is therefore based on the records of the Steam Engine Makers' Society (SEM), a union of engineers founded in Liverpool in 1824 which expanded to limited national coverage in the late 1830s. No conventional history of the SEM has been published and what we know of it comes from its own reports and incidental mentions in studies of other unions. It took part in the discussions which led to the creation of the ASE in 1851 but the majority of the membership rejected the advice of the Liverpool-based executive and chose to stay independent. Although it never achieved great size or prominence, it was always the ASE's greatest rival for its fundamental recruiting base, the skilled fitter and turner. It finally merged with the ASE in 1920 to form the Amalgamated Engineering Union.

In general, the membership of the SEM was closely comparable to that of the larger and better known ASE. It grew at a similar rate, the mean annual rate of increase of the SEM between 1851 and 1911 being 4.38% while that of the ASE was 4.42%; and as with the ASE admissions were overwhelmingly of men aged under 25 and the membership as a whole was markedly younger than the working population as a whole. Both unions consisted mainly of fitters and turners, an elite within the working class. The regional distributions of their memberships were similar, although the SEM was particularly concentrated into Lancashire and almost absent from Scotland. Comparing unemployment time series, SEM rates closely followed those of the ASE but were generally slightly lower.

The main differences were in selectivity and, subtly, industrial policy. A contemporary described the SEM as always having 'looked more to its organisation as a benefit society than for disputes in the workshop', and so:

> exercised great care in the admission of new members, laying great stress upon the professional competence, sound health and good character of its recruits rather than upon its success in enrolling all the men working at its trade. It appears always to have consisted of a select body of steady workers, whose interests lay more in securing regular employment for themselves than in raising the minimum rate of wages throughout the trade.[19]

As a result, the SEM was able to offer equivalent welfare benefits to the ASE's for a contribution of three shillings per month as compared to a shilling per week. Its greater selectivity meant it was never too great a rival for membership with the ASE, hence the latter preferred to co-exist.

Industrially, the SEM closely followed the ASE's lead. In the 1890s, the ASE's South Wales organiser told the Webbs that:

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18 H.R.Southall (1996) 'The revolt of the field, 1872-4', pp.90-8 in A.Charlesworth *et al*, *An Atlas of Industrial Protest in Britain 1750-1990* (Macmillan).

19 Webb T.U.Coll. E.A. XV f.178.

He has no objection to the SEM although he regards it as merely a friendly society. But he says its members here always do what he tells them and act in every way under his orders and so it does not matter much. The two societies work well together having joint committees in the cases of disputes.[20]

However, in a series of joint ballots on industrial issues between 1897 and 1908, although the unions were taking joint action, the SEM membership were consistently more willing to accept employers' or arbitrators' proposals, generally by a large margin.[21] In summary, the SEM's membership resembled that of the ASE but was an elite within an elite, offering cheaper benefits through selectivity.

What makes the SEM unique is the detail concerning individual membership that appeared in its *Annual Reports*, which have permitted the construction of a large database within which the careers of individual members can be reconstructed. In particular, each payment of each type of benefit is recorded with the name of the recipient, while the ages of a substantial number of members have been found from a variety of sources, including admissions registers, funeral payments and cross-linkage to vital registration data.[22]

The SEM's benefit system broadly resembled that of the ASE, including unemployment, travelling, funeral, and accident benefit, strike pay and a discretionary Benevolent Fund. The admission charge depended on age, varying from 10 shillings and six pence for men under 23 to five pounds for men aged 45; men aged over 45 could not join. The main concern here is with sickness benefit and superannuation. The 1846 rules made the following provision for sick members:

That any free Member (namely, who has been in the Society one year) when visited by sickness or lameness, (not occasioned by drunkenness or fighting, or any disease improperly contracted, ...) shall give notice of his disposition in writing ... the Secretary ... shall give him a note ... entitling him to the sum of One shilling and Eightpence per day, for each working day, for the space of Six Months ...; no Member shall receive benefit for less than three days. .... Should a Member's indisposition [exceed] six months, he shall receive the sum of Five Shillings per week for Six Months longer; and should his indisposition continue longer than that period, and he be judged by a physician or surgeon to be incurable ... he shall receive the sum of Three Shillings and Sixpence per week, and be allowed to do what he can for further support. Should doubts arise in the minds of the Members of [his] branch, [they] shall appoint a Medical Adviser to investigate his case at the expense of the Society. (article 25)

In addition, the 1846 rules provided:

That any person who has been a Member of this Society for the period of Twenty Years from the time he entered, **and shall be rendered incapable of following his**

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20 Webb T.U.Coll. E.A.XVI, ff.197-8. Other local organisers made similar comments.

21 B.C.M.Weekes, 'The Amalgamated Society of Engineers 1880-1914; A study of trade union government, politics & industrial policy' (unpubl. Ph.D. Dissertation, Warwick University, 1970, pp.103, 106, 114, 224, 254.

22 For detailed documentation of the SEM database, see http://www.geog.qmw.ac.uk/lifeline. SEM records are used for a substantial number of examples in H.R.Southall *et al* (1994) *Nineteenth Century Trade Union Records: An introduction and select guide* (Edinburgh: Historical Geography Research Group).

> **employment, through old age or any infirmity**, shall receive a donation of Four Shillings per week for life, **and be allowed to do what he can for further support**. (article 34; emphasis added)

The 1865 rules labelled this provision 'superannuation' and varied the rate of benefit with the length of membership prior to it first being claimed (article 35, clause 12):

for a twenty years' membership,	five shillings per week for life...
a twenty-five years' membership	six shillings per week for life...
a thirty years' membership	seven shillings per week for life...

The 1878 rules added further rates of eight, nine and ten shillings per week, corresponding to 35, 40 and 45 years of membership (SEM, *Rules*, article 31, clause 2). As with the ASE's scheme, superannuation was as much an extended form of sickness benefit as a modern pension system.

How did the system work in practice? Table 1 presents an initial analysis of SEM members' experience of ill-health during the twenty years from 1852. Observations are grouped according to the member's current age into five-year age bands, and in all cases the number of observations (column 2) is substantial. The mean sickness rate (column 3) is comparable with the aggregate data gathered by nineteenth century friendly society actuaries but are generally higher, due either to the particular experience of steam engine makers or, perhaps, the exclusion of the healthier and consequently more mobile members from the analysis — although the rates computed here are comparable to the earlier analysis of 1835-46, which did include mobile members.[23] As in other studies, older age groups had higher rates of sickness, the only significant exception being those over 65, where the least healthy would have either died or claimed superannuation.

Unlike the actuarial data, the SEM data give us full access to individual experience. This is exploited here relatively crudely, but the results are still interesting. In all age groups, between a half and three-quarters of all members experienced no sickness in a given year (column 4), the variation between age groups being markedly less than for mean sickness. There is very little variation between groups in the proportion who were sick for relatively short periods — up to about a month (columns 5 and 6). However, the longer the period of sickness, the more marked is the different experience of the elderly: men aged 60 to 65 were five times more likely than men aged under 25 to be sick for more than half a year, although men aged over 65 had much better experience if still in work. Put simply, most members seem to have remained healthy into their fifties and sixties while a minority were experiencing catastrophic decline

Table 2 similarly presents age-specific unemployment rates. Non-trade friendly societies did not offer unemployment benefit, and the only basis for comparison is an analysis carried out by the Board of Trade of the records of ASE branches in Leeds and Manchester for 1895.[24] This shows rates rising from 2.9% for men aged under 25 to 10.9% for those aged 55 to 65, then dropping to 8.9% aged over 65. However, 1895 was a year of moderately good trade in the recovery phase of the cycle, while table 2 includes three major recessions, with troughs in 1858,

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23 J.C. Riley (1989) *Sickness, Recovery, and Death* (London: Macmillan), ch. 3, e.g. p.95; H.R. Southall and E. Garrett (1991) 'Morbidity and mortality among early nineteenth century engineering workers' *Social History of Medicine*, vol.4, pp. 231-52, table 3.

24 *British & Foreign Trade & Industrial Conditions*, BPP 1905 [Cd.2337] LXXXIV 1-., p.102.

1862-3 and 1868-9. This may explain the higher overall rates for men under 30 found for the SEM. Figure 4 presents age-specific unemployment time series over the period of the analysis and seems to confirm this view. This was calculated from relatively small numbers of observations, and in particular only 20 to 40 men aged over 60, for each year, hence patterns are somewhat crude, but both the young and the elderly seem to have been harder hit by recessions than the middle aged. The higher rates for the young may have reflected the 'last in, first out' principle being applied to lay-offs. The much lower unemployment rate for the over 60s in the late 1860s recession may reflect the introduction of more generous superannuation rates in 1865.

Clearly, the different benefits interacted, and in particular superannuation removed from the workforce those otherwise most likely to be sick or unemployed. Figure 5 shows the proportions of members at each age from 50 onwards who ever received each benefit in a given year; this could only be calculated for this period using a source such as the SEM database. Again, this is based on relatively small numbers of observations but the basic pattern is very clear. During their fifties, about 40% of SEM members claimed sickness benefit in a given year and about 10% unemployment pay. These proportions seem to remain fairly constant to age 65 but then decline, rapidly in the case of unemployment. Meanwhile, men begin to claim superannuation in their mid-fifties but the proportion only reached 20% at age 67; it then rises to nearly 90% by the mid-seventies — before dropping to zero at age 79 because only one man survived that long and he remained in work.

However, this gives a slightly misleading picture. Figure 6 shows the age of first claiming superannuation for all 737 members who did so between 1900 and 1915. To some extent, this simply confirms that the union followed its rules: no-one joined before age 20 or after age 45; no-one claimed superannuation before they had been a member 20 years. It also shows the majority first claimed superannuation shortly before or after age 65, as shown by the diagonal line: the average age was 64.6; only 6.3% of these men claimed superannuation before age 60, but then 25% of them claimed at age 60 or 61; 10% claimed at age 70 or above. A very similar mean retirement age, 65.1, was found for the 35 members of known age retiring before 1873. In other words, SEM members typically claimed superannuation at ages very similar to modern pension schemes, even though no specific age limit was built into their scheme. The reason why the proportion of the overall membership who had retired only reached 50% at age 71 was that about half of all members never claimed benefit: the proportion retired rises partly as these men died off.

Finally, as we might expect, the trade cycle and the life cycle interacted. Figure 2 showed that the impact of cyclical unemployment varied according to age group, and figure 7 examines the relationship between numbers retiring and the prevailing unemployment rate, and hence with the trade cycle. It is clear that number retiring peaked in the two recession years of 1904 and 1909. There is some evidence that the average ages of men retiring rose during economic downturns, but variation in these averages is slight, ranging from 63.5 in 1906 to 66.7 in 1902.

Patterns of Provision

How typical were schemes like the ASE and SEM's? Firstly, very similar accounts could have been presented for a number of other large artisan unions, notably the Friendly Society of Ironfounders (with unemployment statistics from 1854), the United Society of Boilermakers (1873) and the Amalgamated Society of Carpenters and Joiners, which was closely modelled on

the ASE and provides records of unemployment insurance from 1863. However, many other unions were much smaller, often purely local and sometimes ephemeral. Some inferences about unemployment provision can be drawn from the systematic information gathered by the Board of Trade Labour Department in the 1890s, which included retrospective data that forms the basis for the widely used national unemployment series starting in 1851. Initially, of course, this was based entirely on the ASE but by 1860 the FSIF (7,973 members), Associated Blacksmiths (856), the London Society of Compositors (2,650), the London Consolidated Society of Journeymen Bookbinders (634) and two other small unions with under 100 members were also included. All were in the apprenticeship-based artisan trades, and the metal trades contributed almost 90% of the total; even in 1870, they contributed almost 70%.[25] Information on particular unions can be drawn from an 1867 report by the Registrar of Friendly Societies, which provided information for twenty-five societies whose purposes went beyond those provided for under the 1855 Act, i.e. beyond sick pay, superannuation and funeral benefit. All twenty-five were trade unions and twenty provided some form of unemployment benefit, as listed in table 3. Little other information is available for many of these societies, but it seems clear that most were small and local, primarily in London and Lancashire. The exceptions were the Engineers, the Steam Engine Makers, the Ironfounders, the Carpenters and Joiners, and possibly the Boilermakers.[26]

The first comprehensive survey of union benefit provision was a study of 'Agencies and Methods for Dealing with the Unemployed' carried out for 1891 by the Board of Trade Labour Department.[27] It tabulates information for 209 trade unions, with 692,025 members, and details for 14 others can be teased out of the main text. It generally lists only unions which provided benefits, but another report from the department provides a listing of 594 unions with their memberships at the end of 1892.[28] The survey was inevitably partial but coverage of large benefit-paying societies appears reasonably complete. Table 3 combines information from both reports, using the 1892 membership figures. These calculations are modelled on those in the Labour Department's 1908 report discussed below, and give a misleading impression of benefit provision in some sectors, particularly mining and textiles.

Of the 131,715 miners covered by some form of unemployment pay, 93% came from just three unions. The Yorkshire Miners (c. 50,000 members) only paid benefit:

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25 This calculation combines information from a 1905 list of twelve unions permitting the calculation of an unemployment rate direct from membership data for the pre-1888 period (*British & Foreign Trade & Industrial Conditions*, PP 1905 [Cd.2337] LXXXIV 1-., pp.79-; p.127) with another list of societies providing pre-1875 unemployment series provided by the Board of Trade Labour Correspondent (*Fourth Report on Trade Unions, 1889 & 1890*, PP 1890-1 [C.6475] XCII 73-.). Although many other societies reported expenditure on unemployment benefit, this often included expenditure on strike pay, emigration grants or travelling benefit for at least part of the series.

26 *Return of Numbers of Societies which have deposited their rules with the Registrars of Friendly Societies*, PP 1867 XL 521-. Twenty-six 'societies' are listed but this includes the FSIF twice, under both Ironfounders and Iron Moulders.

27 *Agencies & Methods for Dealing with the Unemployed*, PP 1893-4 [C.7182] LXXXII 377-.

28 *Sixth Report on Trade Unions* (1894 XCIV 55-.); 'General Table', pp.6-97. This was still not a complete list of all unions; a later report by the Labour Department, the *Twelfth Report by the Chief Labour Correspondent of the Board of Trade on Trade Unions in 1899, with Comparative Statistics for 1892-98* (1900 LXXXIII 601-.), gives total union membership in 1892 as 1,503,232 as compared to 1,234,482 in the *Sixth Report*, while the *18th Abstract of Labour Statistics* (1924) gave 1,576,020 unionists in 1892.

> When a colliery or portion of a colliery is stopped on account of repairs, breaking of machinery, inundations of water, falls of roof, explosions or fires of any kind, or when it is entirely or partially closed either temporarily or permanently.

Similarly, the Northumberland Miners (17,366 members) provided an idle benefit only for breakdowns, while 'members dismissed through slackness of trade' were entitled only to 'shifting money', covering the cost of moving to another pit. If we exclude all organisations with similar restrictions, only four mining unions remain with a total membership of 4,079; three consisted of colliery enginemen and mechanics, not miners, and the members of the fourth mined iron not coal. The major coal-mining unions in Wales, the midlands, the north-west and Scotland made no provision at all. The reason for this pattern was that miners did not expect to be individually laid-off: the available work would be shared out among the workforce 'even though there may not be sufficient trade to keep the pit going more than two or three days a week for months at a time'. As mines went deeper and the fixed costs of keeping a pit open grew, such a policy would become less attractive to owners, especially those with more than one pit; the 1891 report noted that 'the dismissal of men has, it is said, greatly increased during the last 25 years, prior to which it was a most uncommon thing for collieries or portions of collieries to be stopped'.

Similar qualifications apply to textiles. Although over 46,000 workers, almost half of all unionists in the sector, were covered by benefits, the largest union was the Amalgamated Cotton Spinners, for which no details were given as unemployment benefit was a matter for branches, and then the next four unions all paid benefit only under special circumstances. For example, the report said of the West Riding Power Loom Weavers' Association that:

> Out-of-work pay in the ordinary sense of the word is not provided, but members who are thrown out of employment through fire, failure, or breakdown, or repairs of the motive power are entitled to receive 3s., 4s. or 5s. per week when the mill is stopped from one week to one month, according to the amount of weekly contribution paid.

Excluding such restricted schemes, the total membership covered was only 10,428, mainly in small unions for which few details were given in the report, and to which similar limitations may have applied. As well as being available only in special circumstances, benefit rates were low and generally available for only short periods; the majority of unionists for whom a maximum duration can be calculated were covered for two months or less. Once these caveats are taken into account the remaining unions were, as in mining, small and outside the core of the industry. The largest union paying conventional benefit seems to have been in neither cotton nor wool but the Amalgamated Society of Operative Lace Makers, with 3,320 members in 1892 and paying 5s. per week for up to twelve weeks in a year. This union also commented, when asked about assistance to travelling members, that:

> it is almost useless for operatives in the lace trade to travel in search of employment, the trade being highly localised, and all districts being equally affected by any depression.

This was of course true of many of the highly specialised occupations created by the textile industry. As in mining, the lack of benefits and the highly qualified nature of those which were available reflected a general presumption that available work would be shared: that if a mill was functioning at all, all members of its workforce would be working part of the week.

One other sector needs special consideration. Popular accounts of late nineteenth century unionism emphasise the 'new unions' of the unskilled, and the Labour Department survey came shortly after the famous match girls' strike of 1888 and the 1889 dock strike. Such unions may have been under-recorded in the survey but the main reason for their limited presence here is that their memberships were small: Arch's National Agricultural Labourers' Union (15,000 members in 1892), Tillett's Dock, Wharf, Riverside, and General Labourers' Union (22,913) and Thorne's National Union of Gas Workers and General Labourers (36,108); all smaller than the Engineers, the Carpenters or the Boilermakers. Within table 4, 'new' unions appear in the 'other' and 'transport' categories, along with other groups. If we define them as unions of 'agricultural and general labourers', 'seafaring, dock, and waterside labour', land transport excluding railway workers, and 'female labour', we have a total of 81 unions with a membership of 237,779. Of these, only two 'female labour' unions with a membership of 373 paid unemployment benefit, the larger consisting of skilled bookbinders. The only notable provision for the unemployed were emigration grants, offered by the National Agricultural Labourers Union and the London and Counties Labour League (13,000 members), but take-up of these was inevitably low. Railways were excluded from this calculation because workers there generally had very steady employment, quite unlike general labourers, and this meant that generous benefits could be offered at low cost to the union. Unions such as the Amalgamated Society of Railway Servants could therefore offer benefits with maximum rates of 12s. or 15s. a week, and durations approaching six months.

Summing up this survey of union benefit provisions in the early 1890s, if we exclude schemes which limited benefit to 'fires and failures', and the like, 370,627 members had access to conventional unemployment benefits, 30% of all unionists.[29] Of those with access, 48% were in engineering and metals, 15% in building, and 10% in printing; another 12% were in transport, but these were almost all railway company employees with very secure employment. The Engineers, the closely associated Steam Engine Makers, the Ironfounders and their Scottish equivalent, the Carpenters and Joiners and their equivalent, and the Boilermakers had 181,325 members, or 49% of all those with access to conventional benefits. In other words, by 1891-2 the unions which had operated the pioneering schemes of the 1860s still contained the majority of those covered and almost all unions providing benefit were in a relatively narrow set of sectors. Further, union members remained a relatively small part of the workforce: the 1.6 million unionists in 1892 represented 11% of the employed workforce, although a larger fraction of the male working-class.

Between 1892 and the introduction of National Insurance in 1911, the numbers covered by unemployment insurance grew through two processes. Firstly, the expansion of union membership which doubled between 1892 and 1911, expanding to 17% of the employed workforce.[30] Secondly, the introduction of unemployment benefits by unions which had not previously offered it. This cannot be documented year-by-year, but in 1908 the Labour Department carried out another detailed survey of union welfare schemes, embracing unemployment, sickness and accident insurance. This was more comprehensive than the 1891 survey, covering 1,058 unions with a total membership of 2,364,489, or over 99% of total union

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29 Using the total number of unionists listed in the *6th Report on Trade Unions*; 24% using the total given in the *18th Abstract of Labour Statistics*.

30 Using employment statistics from C.H. Lee (1979) *British regional employment statistics, 1841-1971* (Cambridge: CUP), and membership figures from the *18th Abstract of Labour Statistics*.

membership in that year. Note that the analysis of the early 1890s was modelled on that used by the Labour Department with the 1908 survey but the need to use data for individual unions for 1891 necessitated systematic analysis of patterns within individual sectors which will not be attempted for 1908.[31]

Total expenditure in 1908 by all unions providing information was £1,257,913; for comparison the total income of the state Unemployed Insurance Fund in 1913-14, the first full year of operation of National Insurance, was £2,404,940. Table 5 shows all unions according to the most generous form of relief they provided and should be directly comparable with table 4: numbers of unionists with access to conventional unemployment pay had almost tripled, from 529,009 to 1,455,638, while the proportion with access to benefit had increased from 43% to 63%; the number with access only to travelling relief had declined. Whereas in 1891-2 benefit was available to a majority of unionists only in metals and engineering, and in printing, in 1908 the only sector without majority access was 'other', reflecting the fact that unskilled workers were still too poorly paid to afford benefits.

Turning to individual sectors, the most rapid increase in both the number of unionists, from 95,218 to 327,364, and the proportion with access to benefits, from 48.8% to 94.8%, had been in textiles. The second largest expansion in the number of unionists had been in mining, but here the proportion covered by benefits had expanded rather less, many unions still making no provision. Taken together, in 1891-2 43,000 miners and textile workers had access to benefit, 33% of all covered, and by 1908 this had grown to 311,000 and 48% of the total. However, benefits in both sectors remained severely restricted: there were a great many textile unions, but almost all paid out only during break-downs, fires and so on, specifically excluding bad trade; among the main coalfield unions only the Northumberland and North Staffordshire miners seem to have covered individual loss of work . In addition benefit rates in textiles were low and of short duration. Perhaps the most important conclusion is that in the traditional artisan trades almost all unions were offering unemployment pay of some form.

Finally, table 6 provides information from the same survey on the availability of sick pay and shows a very similar pattern of provision as for unemployment, especially if we ignore highly restricted unemployment benefits. Over two-thirds of all unionists in building and engineering were covered, and mostly by schemes covering long periods of ill-health. Two-thirds of unionists in woodworking and clothing were also covered, but here the schemes were restricted and the number of individuals covered much smaller. In mining, textiles, and the transport sector only a small minority of unionists had any provision. Somewhat surprisingly, the same was true of printing, one of the traditional artisan trades; perhaps printing was less physically demanding than building or engineering and therefore personal health was generally both better and less critical. It should be remembered that all unionists had access to the sickness insurance offered by non-trade friendly societies.

The most important feature of the 1908 survey is simply the number of unionists covered by benefits, although we must remember the restricted nature of the benefits on offer in mining and

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31 Summary tables from this survey appear in the *Seventeenth Report on Trade Unions*, PP 1912-13, op.cit., p.xxxi. Information concerning individual unions comes from the very extensive tabulations printed for internal use by the Labour Department: 'Analysis of the Rules of Trade Unions relating to Unemployed, Sick and Accident Benefits, and Expenditure on Such Benefits by Each Union in 1908', unpubl. (BLPES, Beveridge Unemployment Collection, piece XVII).

textiles. A total of 1,455,638 were covered at the end of 1908, this being 59% of all union members or 63% of those covered by the survey. The years between the 1908-9 depression and the First World War saw spectacular growth in total union membership, which rose from 2,485,000 in 1908 to 4,135,000 in 1913. Although no surveys of union benefit provisions are available between 1908 and the start of the Great War, we can reasonably assume that the proportion of unions offering benefits was probably expanding and certainly not contracting. Assuming simply that the proportion remained constant, 2,440,000 trade unionists would have been provided with unemployment insurance by their own schemes at the end of 1913. This is a larger group than the 2,326,000 actually covered by the National Insurance Act in July 1914.

One final point must be established: that unemployment insurance was, prior to National Insurance in 1911, almost unique to the unions. The only friendly society provisions for unemployment discussed in *Agencies and Methods* were the Hearts of Oak society providing only for remission of contributions while out of work and the Manchester Union of Oddfellows and the Ancient Order of Foresters operating limited travelling schemes. Other friendly societies made similar provision but the amounts spent were very small. The Board of Trade told the 1893 Select Committee on Distress that the only non-trade society known in 1895 to offer unemployment insurance was the 'Loughton Mutual Labour Aid Society', of Essex, with under forty members. A committee member, John Burns, the former engineering leader, believed such 'hard-up' clubs to be rather more common but they were clearly local and very small.[32] There may have been some later expansion of such activities: according to Jose Harris, 31 Friendly Societies were registered in 1906 to pay out-of-work benefit. However, the only body she names was a trade club and it must be remembered that many registered Friendly Societies were, de facto, trade unions. Even the Amalgamated Engineers only registered as a Trade Union rather than a Friendly Society in 1885.[33]

Conclusion: Welfare and Unionism

Firstly, trade union welfare schemes have sometimes been treated as something between historical curiosities and pure window-dressing intended to conceal the unions' industrial role.[34] This essay has shown that they were important forerunners of modern welfare systems, providing extensive benefits to large numbers of people over the half-century preceding the beginnings of the British Welfare State with the 1911 National Insurance Act.

Secondly, although they did not have a contractual obligation to pay out specific benefits, successful unions behaved as if they did. This meant they incurred liabilities running over long periods: over a trade cycle of eight to ten years and a member's life cycle of half a century, from admission in the early twenties to death. Many unsuccessful unions collapsed either because they were unable to support their members through a recession, while rising superannuation expenditure was becoming a major problem for even successful unions by the early twentieth century. The expansion of state provision means we cannot know how well the

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32 *Distress from Want of Employment*, PP 1895, QQ.4682-9.

33 J. Harris (1972) *Unemployment and Politics: a study in English social policy 1886-1914* (Oxford: Clarendon Press), p.295, esp. n6.

34 See, for example, C.G.Hanson (1975) 'Craft Unions, Welfare Benefits & the case for trade union law Reform, 1867-75', *Economic History Review* , 2nd ser. XXVIII, pp.243-59.

unions would have coped, but we have seen that the ASE was both seeking to reduce its commitments and establishing a very large superannuation reserve.

Thirdly, the schemes clearly combined collective saving and risk spreading, with some element of systematic redistribution. The ASE clearly saved during booms to sustain itself through recessions, while its superannuation reserve fund was the beginnings of a modern pension fund. No individual could be sure which job offer would lead to unemployment a few years later, but the largest risk which the unions successfully met was that of catastrophic ill-health in later life: we have seen that the incidence of ill-health varied greatly between individuals within an age-group during their 50s and 60s, but no one could have predicted which of a group of new recruits in their 20s would be so affected 30 or 40 years later. This particular risk is still hard to provide for today. Lastly, the unions clearly chose to ignore certain obvious variations and in particular geographical differentials in unemployment rates, hence benefit expenditure redistributed the unions' funds between districts. However, it can be argued that by providing benefits both to decrepit members and high-unemployment regions, better-off members were sustaining those otherwise most likely to accept reduced wages, and thereby maintaining an effective economic coalition.

Fourthly, given the limited available data on the complex risks they faced, unions such as the ASE and SEM were remarkably successful in maintaining financial stability. They prospered, and grew: over the 1851-1911 period, unions with extensive benefit systems expanded far more consistently than those without, while especially in the 1900s unions in other sectors were introducing similar schemes. While the unions themselves emphasised the separation between their welfare and industrial roles, on closer examination much of the success of the union schemes resulted from interaction with their industrial role. Firstly, unemployment, sickness and superannuation benefits were *all* provisions for members being unable to work, and assessing risks and preventing fraud required knowledge of the labour market. Secondly, incentives to members interacted: the threat of the loss of pension rights was a clear incentive to potential blacklegs; younger, healthier members were willing to join benefit schemes where they had to pay the same subscriptions as much older members because joining the union gave them access to the better-paying jobs in the industry.

Fifthly, for most of the period unemployment benefits, and as far as we can tell other types of benefits, were almost entirely limited to the artisan trades. What is less clear is how far this reflected simply the higher incomes of artisans and how far other characteristics of these occupations. It can be argued that artisans were also distinguished by a greater independence from employers and greater geographical mobility, making industrial welfare schemes and community-based provision, such as the Poor Law, less suitable. However, the attempts of the Agricultural Labourers in the 1870s, and the expansion of union schemes into other sectors in the 1900s, suggests other workers aspired to similar independence.

Finally, it must be emphasised that trade union welfare schemes declined in significance not because they in any sense failed relative to non-mutual systems, but because they were supplanted by state schemes partly financed by the tax payer; it may be that they would have collapsed anyway during the inter-war recession, unable to cope with really sustained mass unemployment, but this can only be speculation and the schemes had already showed a significant capacity to evolve. One aspect of their success was the operation for many years, in a highly unstable economy, of insurance against unemployment: as we have seen, no other mutual insurers were able to do this; the closest commercial insurers have subsequently been

able to come is insurance against defaulting on loans through loss of employment, where moral hazard is minimised because payment is made direct to the lender; and governments have been able to operate unemployment insurance only through compulsion and, often, subsidy.

It is hard to argue for trade union-based welfare as an alternative to state or commercial provision in an age when the union movement seems in terminal decline, but mutual schemes based on occupational groups has clear benefits in providing for income maintenance — which covers unemployment, sickness and superannuation. Today, as in the mid-nineteenth century, much of the workforce is self-employed or moves rapidly between employers, so employer- or workplace-based schemes are problematic; similarly, high geographical mobility makes community-based provision problematic. Employment practices have become so diverse that assessing whether an individual is 'unemployed' is problematic and arguably best done within a specific occupational group. Where mid-twentieth century workers left the workforce at fixed retirement ages, today very large numbers withdraw earlier, often for partly medical reasons, while less visibly many others remain in at least part-time work beyond traditional retirement age; in other words, we appear to be reverting to the more flexible patterns that the ASE and SEM superannuation schemes catered for. Lastly, there is almost a consensus that state welfare should be limited to a 'safety net' for the worst-off while other genuine needs should be met by commercial providers, but commercial insurers are clearly unable to insure *income streams* except against very specific medical problems, and even then are generally unwilling to make the long-term commitments that the unions made. In 1870, a Chicago member of the ASE commented:

> I would sooner cut off my right arm than lose my membership because I know that in difficulties I am provided for.[35]

This paper has tried to show that his confidence was justified, but has anyone ever said the same about an insurance company?

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35 Clifford K. Yearley, *Britons in American Labour: A History of the Influence of the United Kingdom Immigrants on American Labour, 1820-1914* (John Hopkins University Studies in History and Political Science, ser. LXXV, No.1, Baltimore 1957), p.120

Table 1: Sickness in the SEM by age group, 1852-72:

	N		Proportion of year on sick pay:					
Age Group	**(Man/ yrs)**	**Mean S-rate**	**Never sick**	**0-5%**	**5-10%**	**10-25%**	**25-50%**	**Over 50%**
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Under 25	774	3.73	72.5	13.7	5.9	4.3	1.9	1.7
25-29	909	4.83	68.1	16.0	5.2	5.5	2.6	2.6
30-34	850	4.59	71.3	14.9	3.5	5.1	2.7	2.5
35-39	704	5.93	71.2	12.6	6.0	4.0	2.0	4.3
40-44	557	5.90	68.2	14.9	6.5	4.7	2.0	3.8
45-49	416	6.93	60.3	17.8	8.7	6.7	2.4	4.1
50-54	333	8.88	58.0	12.3	10.8	8.1	5.7	5.1
55-59	301	9.21	59.5	12.6	8.3	9.3	4.3	6.0
60-64	263	13.22	56.3	12.9	6.1	9.9	5.7	9.1
Over 65	296	8.77	65.5	6.8	6.1	10.5	5.7	5.4

Table 2: Unemployment in the SEM by age group, 1852-72:

	N		Proportion of year unemployed:					
Age Group	**(Man/ yrs)**	**Mean U-rate**	**Never unem.**	**0-5%**	**5-10%**	**10-25%**	**25-50%**	**Over 50%**
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Under 25	774	3.63	72.7	11.6	4.8	6.9	2.7	1.3
25-29	909	2.62	74.5	12.8	4.5	5.4	2.8	0.1
30-34	850	2.06	82.4	8.0	3.1	3.9	2.1	0.6
35-39	704	1.42	84.7	8.8	2.1	3.3	0.9	0.3
40-44	557	1.34	85.3	6.5	4.5	2.7	0.9	0.2
45-49	416	2.72	80.0	9.4	3.4	3.4	3.4	0.5
50-54	333	2.46	82.9	5.7	2.7	5.7	2.7	0.3
55-59	301	2.30	82.4	7.0	3.0	4.7	2.7	0.3
60-64	263	3.04	87.8	3.4	1.5	2.7	3.4	1.1
Over 65	293	1.36	94.9	1.0	1.0	0.7	2.0	0.3

Table 3:
Registered Friendly Societies with Unemployment Benefits c.1867

Society (date rules deposited)	Place	Benefit Paid
a) Engineering & Metals:		
Steam Engine Makers' Soc.(1865)	Manchester	1/8d. per day
United Order of Smiths (1857)	Manchester	10/- pw, **strikes only.**
F.S. of Ironfounders (1863)	London	Aims incl. assistance to unempl'd
L'pool Soc of Tinplate wkers (1861)	Liverpool	10/- pw for 4 wks.
United Machine Workers' Assoc. (1862)	Manchester	8/- pw for 6wks, 4/- for 12 wks & 2/- for 8 wks.
Coppersmiths & Braziers FS (1863)	Liverpool	[Not stated]
Amal. Soc. of Engineers		[see text]
Amal. Metal Planers' FS (1865)	Manchester	8/- pw for13 wks & 4/- for 13 wks
United Society of Boiler Makers & Iron Ship Builders (1865)	[Bradford, Leeds]	Benefit unclear.
b) Others:		
Garment Dyers' Soc. (1858)	London	10/- pw for 6 wks.
Amal. Soc. of Carpenters & Joiners (1862)	London	10/- pw for 12wks then 6/- for 12 wks.
United Soc. of Journeymen Curriers (1860)	London	8/- pw for 13wks, 7/- for 13 wks, 6/- for 13 wks & 5/- indef.
Amicable & Brotherly Soc. of Machine Printers	Salford	Tramping members receive 2 wks advance.
Pattern Card Makers' F.S. (1861)	Manchester	[Not stated]
United Operative Spindle & Fly Makers' F.S. (1863)	Oldham	8/- pw for 13wks, 5/- pw for 20 wks and 3/- indef.
Trade Soc of Utd Vellum Binders (1863)	London	'weekly pay to members out of employment'.
F.S. of Carpenters & Joiners (1864)	London	10/- pw for 12 wks, 6/- for 12 wks.
London Wood & Tin Packing Case Makers' Soc. (1867)	London	10/- pw for 13 wks.
United Soc. of Boat & Flat Builders (1867)	Birmingham	10/- pw for 14wks, 7/- for 26 & 6/- indef.
N. Staffs Amal. Soc. of Wheelwrights (1867)	N. Staffs	8/- pw for 6wks & 6/- pw for 6 wks.

Source: *Return of Numbers of Societies which have deposited their rules with the Registrars of Friendly Societies*, PP 1867 XL 521-. (pp.530-545).

Table 4
Trade Unionists Entitled to Unemployment Benefit, 1892

	Maximum Weekly Rate to which entitled:					
Branch of Industry	**10s.3d. & over**	**8s.3d.-10s.0d.**	**Under 8s.3d.**	**Travel Only**	**No Benefit**	**Total Number in Sector**
Building	547	43,720	10,464	54,545	31,909	141,185
Mining & Quarrying	19,878	110,093	1,744	169	155,674	287,558
Metals, Engineering & Shipbuilding	8,273	123,749	44,925	98	61,156	238,201
Textiles	3,784	15,840	26,853	0	48,741	95,218
Clothing	3,100	1,586	137	68,591	1,849	75,263
Transport	45,621	0	0	2,723	79,190	127,534
Printing	5,609	5,429	25,225	0	5,710	41,973
Woodworking & Furnishing	9,634	7,839	501	0	2,618	20,592
Other	2,492	12,894	2,253	7,000	182,319	206,958
TOTAL:	98,938	321,150	112,102	133,126	569,166	1,234,482

Sources and calculation:

[1] 1892 membership figures for 599 trade unions taken from the 'General Table' in the *6th Report on Trade Unions* for 1892 (1894 XCIV 55-., pp.6-97).

[2] Benefit information for 198 of these unions taken from *Agencies & Methods for Dealing with the Unemployed*, PP 1893-4 [C.7182] LXXXII 377-. Unions were classified as 'travel only' if no benefit rate was given but expenditure on travelling relief was recorded for 1891; as 'no benefit' either because they were reported as paying no benefit or because they were not listed.

Table 5
Trade Unionists Entitled to Unemployment Benefit, 1908

	Maximum Weekly Rate to which entitled:					
Branch of Industry	**10s.3d. & over**	**8s.3d.-10s.0d.** [1]	**Under 8s.3d.** [2]	**Travel Only** [3]	**No Benefit** [4]	**Total Number in Sector**
Building	115	91,689	1,201	51,209	28,820	173,034
Mining & Quarrying	38,002	315,775	38,765	-	325,169	717,711
Metals, Engineering & Shipbuilding	9,285	175,421	108,960	5,272	47,431	346,369
Textiles	54,750	99,281	156,468	386	16,479	327,364
Clothing	879	31,471	8,814	2,493	20,594	64,251
Transport	106,935	10,742	600	4,416	105,264	227,957
Printing	23,439	39,788	4,831	145	917	69,120
Woodworking & Furnishing	18,600	17,179	2,445	496	948	39,668
Other	44,179	25,570	30,454	54,425	185,278	339,906
TOTAL:	296,184	806,916	352,538	118,842	730,900	2,305,380

Source: *Seventeenth Report on Trade Unions*, PP 1912 [Cd.6109] XLVII 655-., pp.lxxvi-ii.

Notes:

[1] Includes those for whom the exact rate was not ascertainable.

[2] Those eligible for travelling benefit, fares or removal expenses but not unemployment pay.

[3] Includes those paid benefit only if banned from work because of infectious disease, those eligible only for occasional distress grants or for the remission of contributions, and those paid only in a lockout.

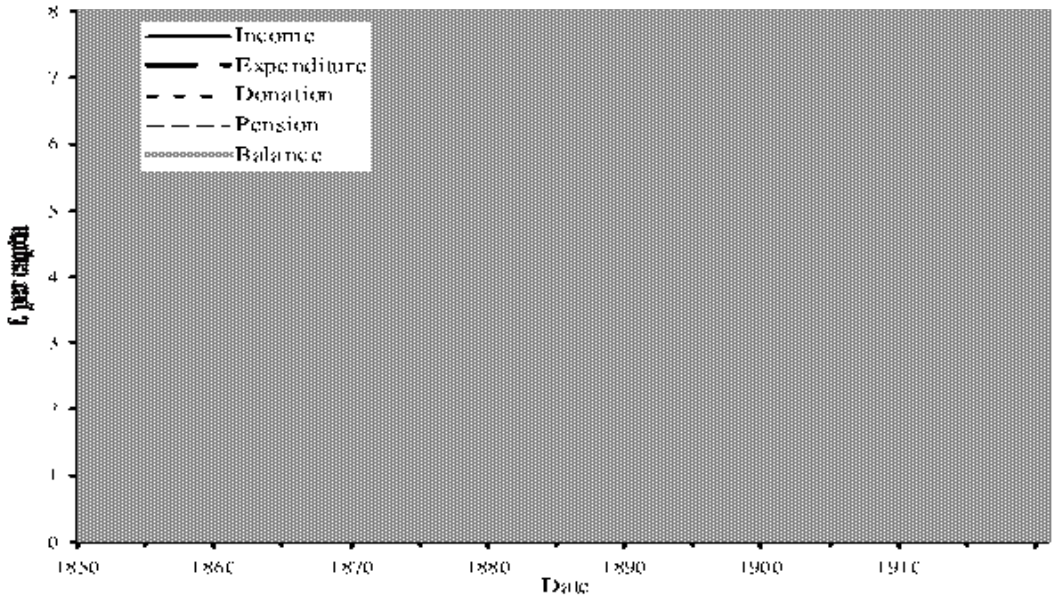
[4] Excludes ‘disregarded cases’ and those unions failing to report.

Table 6
Availability and Duration of Sickness Benefits, 1908

	Number of unionists covered for:						
Branch of Industry	**52 wks or more**	**27-51 weeks**	**26 weeks**	**13-25 weeks**	**12 wks or less**	**All paying benefit**	**Total**
Building	111,851	456	11,300	1,590	87	125,284	176,638
Mining & Quarrying	58,774	2,400	639	0	0	62,115	715,863
Metals, Engineering & Ship-building	230,165	1,756	7,707	3,191	3,334	248,743	361,163
Textiles	13,663	984	1,525	5,468	8,460	30,357	357,560
Clothing	12,447	2,715	50	4,470	29,829	49,511	65,187
Transport	9,625	2,114	5,708	17,061	3,402	41,921	217,842
Agricultural Labour & Fishermen	1,571	350	750	0	0	2,671	9,135
Printing	4,310	4,412	540	3,173	723	13,158	72,825
Woodwork-ing	7,690	0	7,977	4,683	6,277	26,727	40,728
Other Trades	53,303	3,066	11,753	51,745	11,351	132,190	341,240
TOTAL:	503,399	18,253	47,949	91381	63463	732,677	2,358,181

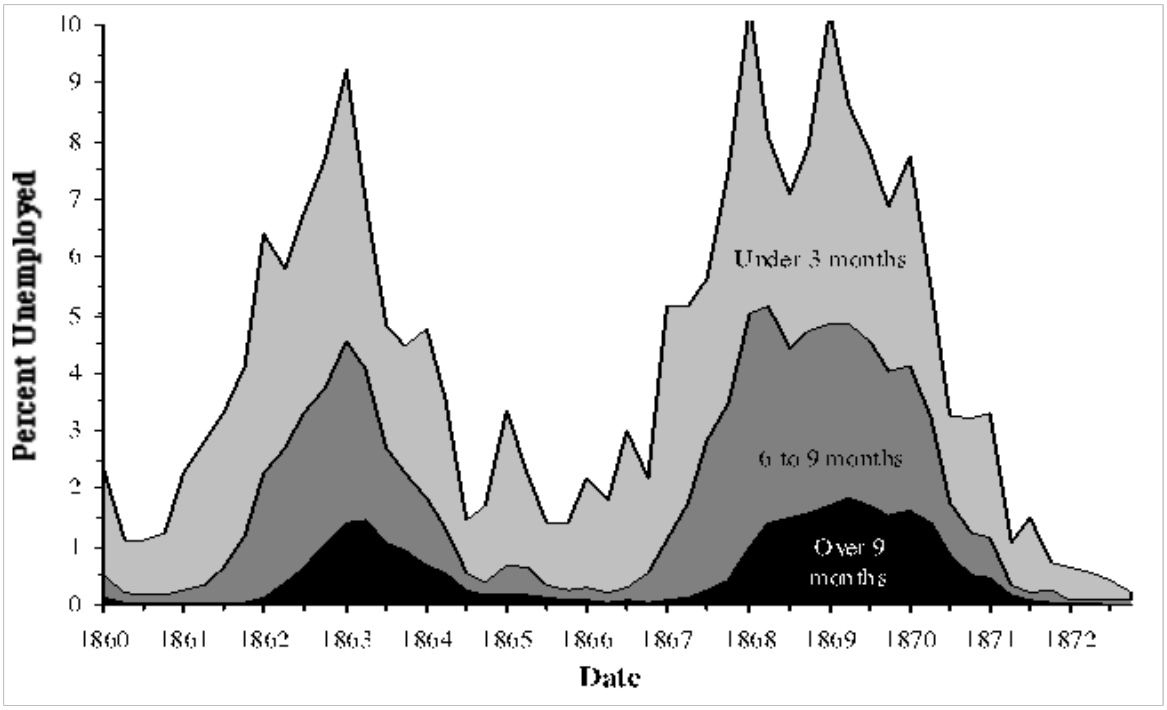
Source: *Analysis of the Rules of Trade Unions relating to Unemployed, Sick and Accident Benefits, and Expenditure on Such Benefits by Each Union in 1908*, unpubl., pp.20-21. Total membership for each sector comes from pp.244-5.

Figure 1:
ASE Income and Expenditure per member, 1851-1918



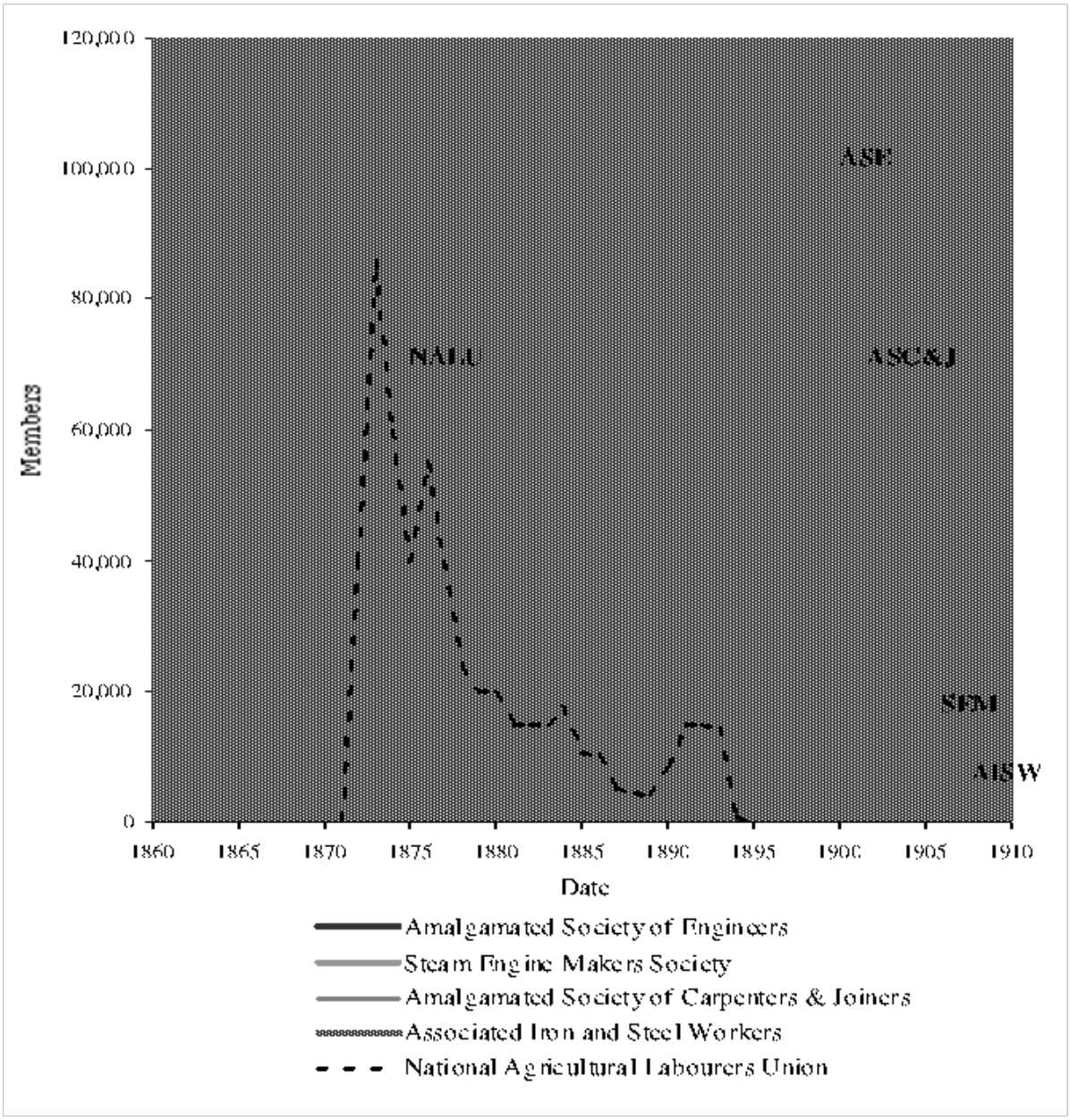
Source: ASE *Annual Reports*.

Figure 2:
Rates and Duration of Unemployment in the ASE, 1860-72



Source: ASE *Monthly Reports* (UK branches only; membership excludes superannuated but not admissions; unemployment excludes strike pay).

Figure 3:
Growth of Union Memberships, 1860-1910



Sources: ASE *Monthly Reports*, data for December; ASC&J *Monthly Reports,* data for December; SEM *Annual Reports*, some values interpolated; Clegg, Fox & Thompson; National Agricultural Labourers' Union: P.Horn (1971), *Joseph Arch* (Kineton: The Roundwood Press); W. Hasbach (1908), *A History of the English Agricultural Labourer* (London: P.S.King & Son); *Reports on Trade Unions* in BPP.

Figure 4: Age-specific unemployment in the SEM, 1852-71

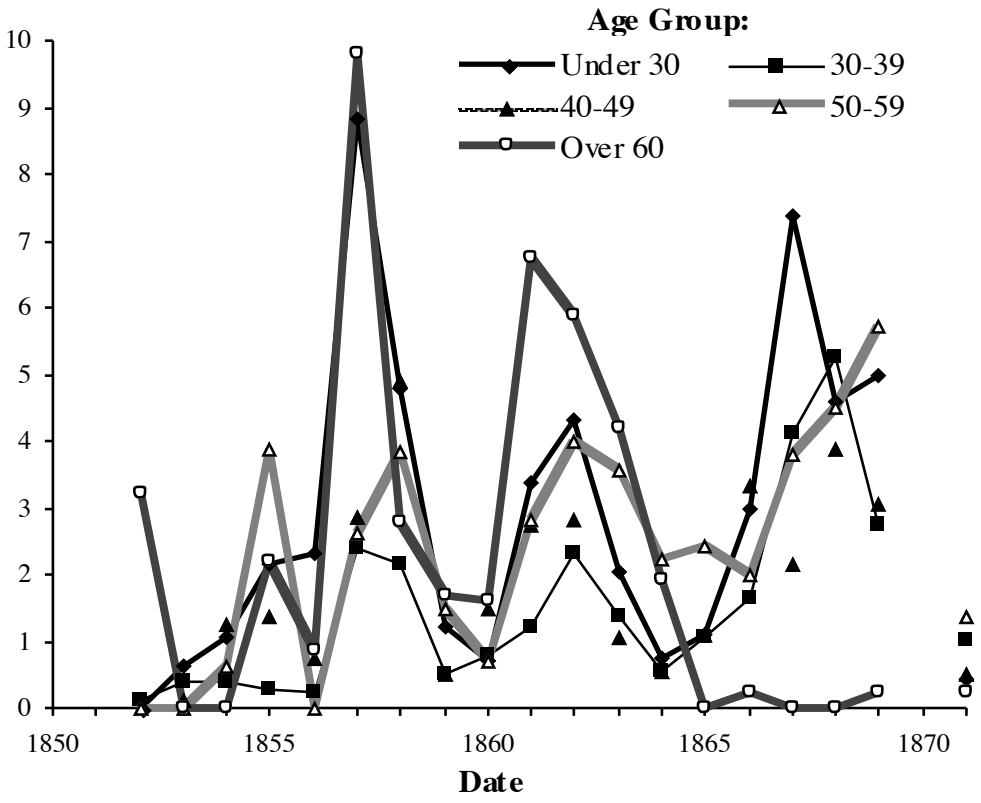


Figure 5: Take-up of benefits from age 50 in the SEM, 1852-72

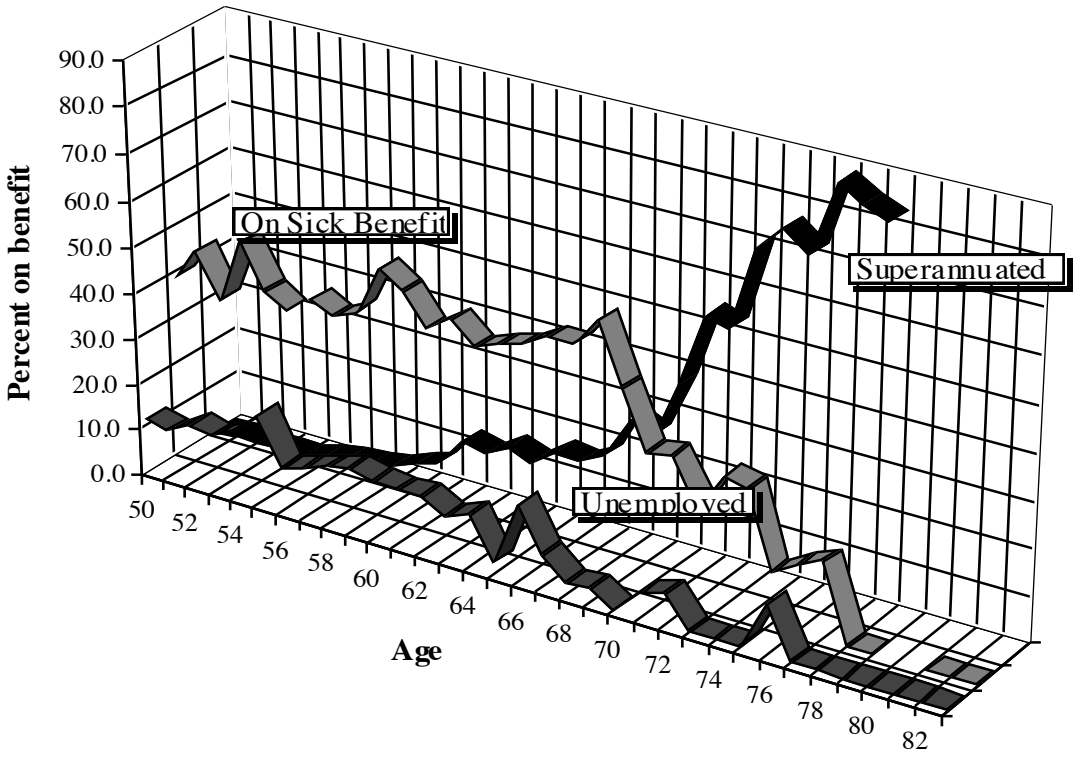


Figure 6: Length of membership prior to retirement for SEM members retiring between 1900 and 1915

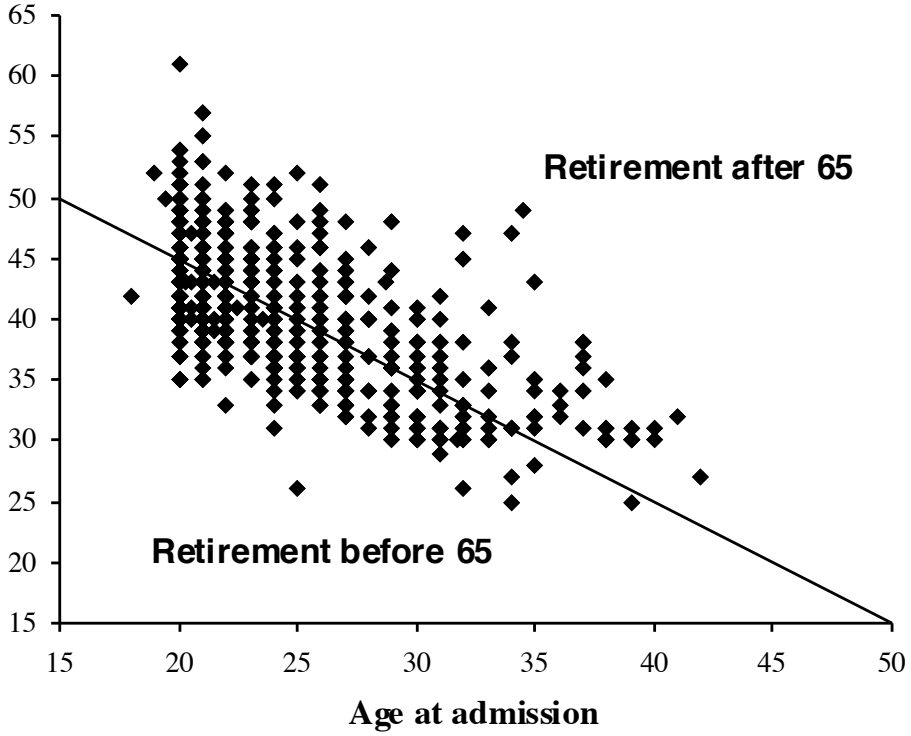


Figure 7: Retirement and the trade cycle, 1900-1915